

**SMALL BUSINESS LOAN FUND CORPORATION**  
**MINUTES OF THE BOARD OF DIRECTORS**

**May 28, 2015**

**PUBLIC SESSION**

A monthly meeting of the Board of Directors (the “Board”) of the Small Business Loan Fund Corporation (the “Corporation”) was held in public session at the offices of the Rhode Island Commerce Corporation, 315 Iron Horse Way, Suite 101, Providence, Rhode Island on Thursday, May 28, 2015, scheduled for 9:30 a.m., pursuant to notice of the meeting to all Directors, and public notice of the meeting as required by the By-Laws of the Corporation and by Rhode Island General Law 42-46-6.

The following Directors were present and participated throughout the meeting: Mr. Raymond Fogarty, Mr. Richard DeMerchant, Mr. John Pagliarini, Ms. Antonietta Falconi and Mr. Lee Mercer.

The following Directors were absent: None

Also present were: Mr. William Ash, Corporation Administrator, Ms. Stacy Farrell, Corporation Secretary, Mr. Daniel Price, Corporation Administrator, Ms. Denise Barge, Corporation Administrator and Mr. Tom Moses, Esq., Moses Afonso Ryan Ltd.

Mr. Fogarty presided over the meeting.

**1. Call to Order.**

Mr. Fogarty called the meeting to order at 9:32 a.m.

**2. Approval of the Minutes of the Meeting held on March 26, 2015**

The first item to come before the Board was the approval of the Minutes of the Board meeting held on March 26, 2015. A motion was duly made by Mr. DeMerchant and seconded by Ms. Falconi, to approve the Public and Executive Session Minutes of the meeting noted above was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer, Ms. Antonietta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: None

**3. Maintain the Executive Minutes of the March 26, 2015 meeting as Confidential**

The next item to come before the Board was a vote to maintain the confidentiality of the Executive Session Minutes of the Board meeting held on March 26, 2015. Upon motion duly made by Mr. Pagliarini and seconded by Mr. DeMerchant, the motion to maintain the confidentiality of the Executive Session Minutes of the above noted meeting as presented was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer, Ms. Antonieta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: None

**4. Report of Cash Position as of April 30, 2015**

Staff asked if there were any questions or comments regarding the Cash Report for the period ended April 30, 2015 (Exhibit A). There was some discussion regarding the SSBCI portion of the report. Board members asked that the data be presented in a different format for the next meeting.

**5. Delinquency Loan Report as of May 26, 2015**

Staff asked if there were any questions regarding the Loan Delinquency report dated May 26, 2015 (Exhibit B). There was no discussion regarding this report.

**6. Pipeline discussion regarding potential transactions for the Energy Revolving Loan Fund**

Staff discussed some potential deals which they believed would be presented before the board over the upcoming months. It was noted that potential transactions for Chronomatic, Pyramid Transportation and Sheffield House would be funded through the Energy Revolving Loan Fund if approved.

**7. Vote to approve recommendation for legal services for the Corporation**

Board members indicated they would like to convene in executive session to discuss this agenda item. It was noted that Mr. Moses had been advised prior to the meeting that there may be an executive session discussion regarding job performance of his firm.

## **8. Executive Session**

Mr. Fogarty suggested that the Board move into Executive Session to discuss the remaining agenda items. Upon motion duly made by Mr. Pagliarini and seconded by Mr. DeMerchant, the motion to move the meeting into Executive Session pursuant to Rhode Island Open Meetings Law 42-46-5(a)(1), 42-46-5(a)(2), 42-46-5(a)(5), 42-46-5(a)(6) and 42-46-5(a)(7) of the General Laws of the State of Rhode Island, as amended, was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer, Ms. Antonietta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: None

Public Session concluded and Executive Session began at 10:05 a.m.

## **9. Executive Session Vote Ratification**

Mr. Fogarty called for ratification of the votes adopted during Executive Session. Upon motion duly made by Mr. Pagliarini and seconded by Mr. DeMerchant, the following votes were ratified:

- (a) To approve the sale (assumption) of the \$500,000 Note of PW Enterprises by Bridge Foam, LLC subject to the conditions as outlined in Executive Session.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Raymond Fogarty, Mr. Lee Mercer and Ms. Antonietta Falconi.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: None

- (b) To reappoint the law firm of Moses Afonso Ryan, Ltd. as legal counsel to the Corporation subject to the conditions outlined in executive session.

The decision was adopted by the Board by majority vote.

## **Adjournment**

There being no further business to come before the Board, Mr. Fogarty called for a vote to adjourn the meeting. Upon motion duly made by Mr. Pagliarini and seconded by Mr. DeMerchant, the motion to adjourn the meeting was duly adopted.

The following Directors voted in favor of the foregoing: Mr. Richard DeMerchant, Mr. John Pagliarini, Mr. Lee Mercer, Ms. Antonieta Falconi and Mr. Raymond Fogarty.

The following Directors voted against the foregoing: None

The following Directors were absent for voting: None

The meeting was adjourned at 11:30 a.m.

Respectfully submitted,

/s/ Stacy Farrell  
Stacy Farrell, Secretary